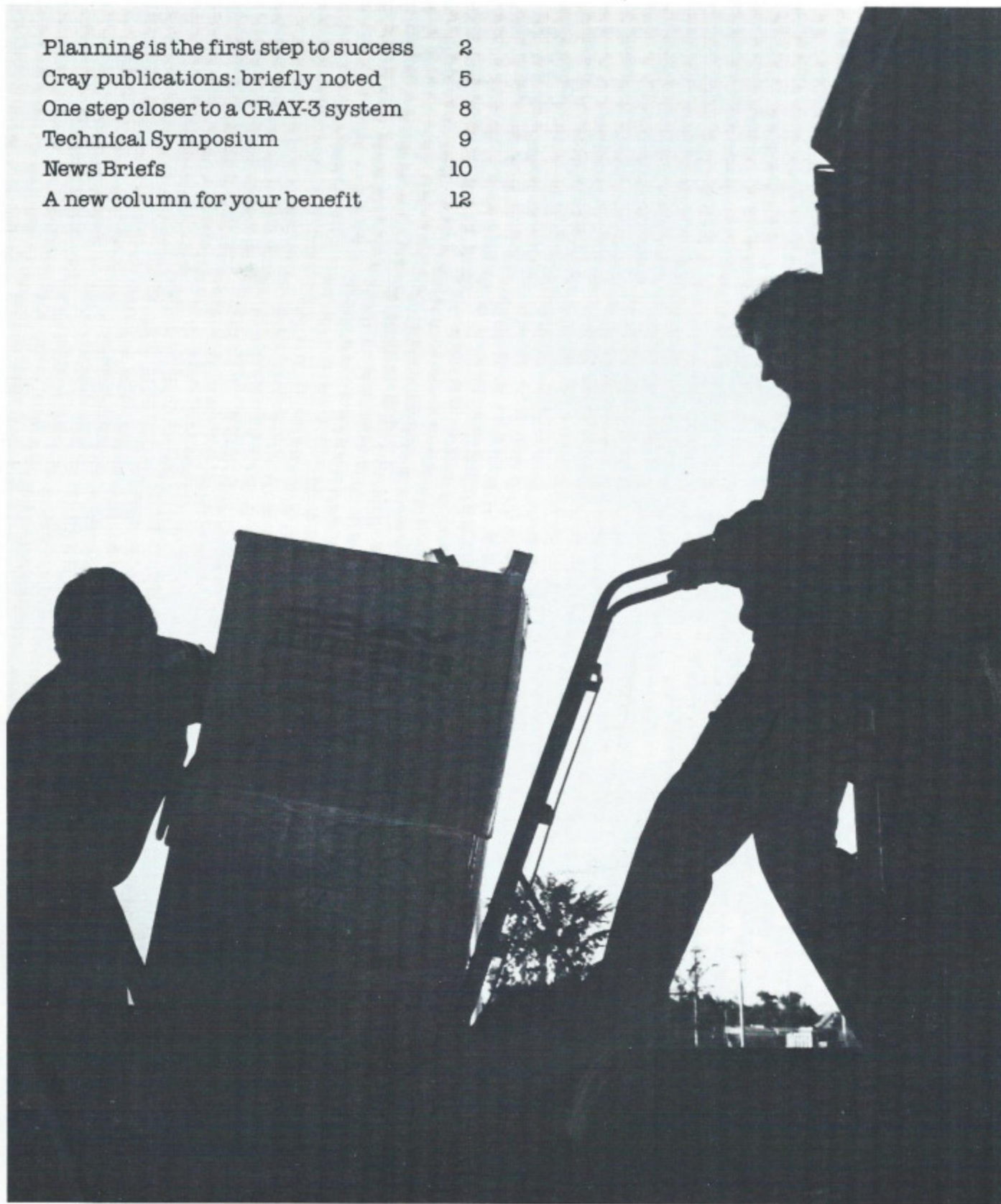


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A Cray Research, Inc. publication

February, 1987

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Part of the satisfaction that Cray customers experience can be attributed to the dedication of the site planning and installation team.

Planning is the first step to success

Each one of the Cray computers installed around the world is the result of countless hours of development, engineering, manufacturing, and testing. Complementing these efforts are months of careful site planning and preparation. A recent customer satisfaction survey found that Cray customers are extremely satisfied with the company's hardware installation support. This satisfaction can be attributed to the dedication of the site planning and engineering team to their jobs and to our customers.

"Site planning is a critical step towards meeting and exceeding our



Our site planning and installation team members overseas are a critical link between Chippewa Falls and international customer sites. Here, a Cray system is containerized and transported by commercial cargo-carrying aircraft to a site installation team in one of Cray's overseas subsidiaries.

customers' expectations," explains Ron Davis, chief site engineer. "To achieve this end we must work closely with our customers' facility engineers to ensure that all facility design and preparation requirements are fully understood, up-to-date, and properly implemented."

This site planning includes establishing safe and efficient operator and maintenance access to the system. It also provides customers with a satisfactory system installation and the highest degree of system performance achievable.

Teamwork makes the difference

"Each customer site presents a unique set of conditions to be investigated and resolved," comments Jim Tennesen, site planning supervisor. "It's our job to facilitate effective site planning and to do that, it's important that we work together as a team. We want to maintain open lines of communication with our customers so we understand their specific needs and future upgrade plans."

The site planning and installation consists of 20 people in Chippewa Falls: three administrators, four site planners, three drafting people, and ten members of the mechanical installation team. Beyond Chippewa Falls, the regions and subsidiaries provide additional strength to the site planning and installation program. The United Kingdom, Germany, France, Japan, and the Eastern, Western, and Central Regions are all team extensions. Each has their own support engineer who provides assistance to our customers and a link to the team in Chippewa Falls.

The first step

In anticipation of receiving a multi-ton Cray computer with assorted peripheral devices, an initial meeting is held between Cray site planning people and the customer's electrical and mechanical facility engineers. This meeting takes place



Ron Davis, chief site engineer, knows that site planning is a critical step towards meeting and exceeding Cray customers' expectations.

approximately six months before scheduled delivery. Site planners tour the customer facility to identify potential site difficulties and to provide the customer's facility engineers with the necessary specifications and documentation for the equipment. At this time, planners define the materials and labor to be supplied by Cray Research and those to be supplied by the customer.

Although interim meetings are conducted as needed to review site progress or resolve site difficulties, a minimum of three meetings take place between Cray site planners and the customer's facility engineers. "The installation of a Cray computer system consists of

several stages," comments Jim Butak, mechanical installation supervisor. "These include pre-shipment and installation of support equipment, shipping preparation, transportation, installation, startup and stabilization, on-site quality assurance, and operational preparation."

Pre-installation preparation

Approximately two months prior to system arrival, Cray Research delivers all necessary support equipment to the customer. Typically, for the CRAY-1 and CRAY X-MP product lines, this shipment will include the motor generator sets, the refrigeration condensing unit, and the refrig-



Before shipping, major components are disassembled and protectively prepared for transportation. Once the system is packaged, dedicated commercial tractor-trailers transport the equipment to the customer facility to be received by installation team members.

eration piping kits. CRAY-2 support equipment does not include a refrigeration condensing unit or refrigeration piping, but does include hoses for fluorinert cooling. The customer is responsible for receiving, unloading, and installing all support equipment.

A final site meeting is held about one month later — two to four weeks before system delivery. At this time, the final site review is held to ensure that the customer has properly prepared the site. Planners check the installation of the pre-shipped equipment, floor cut-out preparations, refrigeration piping, and electrical wiring. Details regarding the method of unloading the system from the truck and moving it into the customer's facility are reviewed. Facility constraints often require the use

of forklifts, cranes, and other special equipment.

Back in Chippewa Falls — at least one week before shipping — the computer system is prepared for transportation. Major components are disassembled and structurally and protectively prepared. Cabling and miscellaneous materials are packaged and identified for shipment. Then, once the system is packaged, dedicated commercial tractor-trailers transport the equipment to the customer facility. For intercontinental shipments, materials are containerized and transported by commercial cargo-carrying aircraft.

The system installation

During system installation, site planners generally accompany the

installation people. Under Cray's supervision, the customer unloads and moves the system equipment into the facility. From there, the mechanical installation team ensures that the equipment is properly located and re-assembled and that the refrigeration hoses are attached. During this activity, the counterpart to the mechanical installation team — the electrical installation engineers — connect the logic cabling and set up peripheral equipment. The customer's electricians connect all power and control wiring to the equipment.

Upon the completion of the customer's electrical wiring, the mechanical installation engineers activate all necessary electrical and refrigeration controls and stabilize the power and cooling. After satisfactory stabilization, the electrical installation engineers commence checkout and test the system, which includes a 24-hour reliability run. When all functions have been declared satisfactory, Cray's regional or subsidiary field engineering staff step in and prepare the machine for customer acceptance and use.

The last word

Customers view Cray Research as a company that is very responsive to critical problems. Specifically, they are extremely satisfied with the company's hardware installation support. And in general, Cray customers are impressed by the company's product capabilities and the talent of the Cray people. But at the same time, the computer industry continues to grow. Already we are experiencing significant competition from vendors who in time, could offer reasonable alternatives to Cray's system performance. By enhancing our focus on the total support environment for large-scale computing users, we can continue to meet those levels of extreme satisfaction, which in turn will help us keep our current customers and welcome new users.



Cray Publications: briefly noted

Have you been looking for a summary of information sources? Or have you been wondering who to call to get one of Cray's publications? If so, this article will save you time and effort.

Keep in mind that this is not a complete list of Cray publications. Many documents that have carefully controlled distribution lists are not included in this list. If you feel you need information not provided here, your manager can help you locate other sources.

Affirmative Action Reports:

These reports, distributed to managers on a quarterly basis, provide an update on Cray's progress and activities related to the company's affirmative action plan. Contact Lis Wierum or Pat Schmidt in Minneapolis for further information.

Announcement Packages:

Announcement packages, which are distributed to region and sales offices with each new product announcement, include product information for internal and external audiences. For further information, contact Bob Engberg in Mendota Heights.

Annual and Quarterly reports:

These reports offer reviews of major company activities and finances for a designated period. The annual report is generally distributed in late March, and quarterly reports

are distributed the month following the release of financial results. Contact Laura Merriam, Corporate Communications in Minneapolis, for further information.

Catalog of User Publications:

This catalog, published as needed, describes the content and purpose of Cray Research publications produced by the Technical Publications department for use by employees and customers. Contact Kathy Welin in Mendota Heights for further information on content, or call Dennis Abraham in the Mendota Heights Distribution Center to order a copy of this catalog.

Centrally Speaking:

This newsletter is published quarterly for employees of the Central Region. It contains region news, site updates, and other information relevant to

Central Region employees. Contact Laura Wallace or Mark Skidmore in Boulder for further information.

CommuniCRAytions Canada:

This bimonthly publication is intended for all employees of Cray Canada. This newsletter contains news from customer sites in Canada and reviews recent activities throughout Cray Canada. Katherine Mather in Toronto is editor.

Competitive Analysis Report:

This quarterly report is published by Paul Gust in Minneapolis. It contains information relating to competitor hardware and software, competitive marketing activities, and a bibliography of competitive benchmark comparisons.

Corporate Computing Services (CCS) Dateline (previously *CCS Newsletter*): Kate Cassell in Mendota Heights is editor of this publication, which contains general information about the computing services organization. *CCS Dateline* is published bimonthly. Hank Koch in Mendota Heights handles distribution.

Corporate Computing Services (CCS) User Bulletin: *CCS User Bulletin* is published as needed to cover schedule and job changes, system availability, and other information for users of the Mendota Heights computing center. Kate Cassell (MH) is editor, and Hank Koch (MH) handles distribution.

Cray Applications Update (previously *Applications Newsletter*): This company-private publication, distributed quarterly, highlights current activities in applications development. Trudy Sprague in Mendota Heights is editor.

CRAY CHANNELS: This quarterly publication is intended for current and future Cray customers and others interested in the company and its products. The publication contains a variety of articles including user applications,

company activities, and software techniques. Internal distribution is limited to one copy per department. For information on content, call John Swenson in Minneapolis. Mailing lists for customers are maintained by region and international sales offices. Cray Channels is distributed to all managers for circulation within workgroups.

CRAY CHIPS: Edna Bunn in Chippewa Falls is the editor of this weekly publication. *Cray Chips* provides a timely update on activities in Chippewa Falls, including system shipments, installation progress, new employees, benefits, and good cartoons. For further information, contact Edna in Chippewa Falls.

Cray Telephone Directories: Cray telephone directories are mailed by the distribution center based on a listing maintained by Kathy Green in Mendota Heights. Changes in phone numbers and locations should be sent to local contacts noted in the beginning of the directory.

Directory of Applications Software for Cray Supercomputers: This directory is published twice a year and contains descriptions and supplier information about applications software available for Cray systems that is distributed by third-party vendors. The directory is intended for Cray customers' use. It is available to Cray customers and Cray employees by ordering from the Distribution Center. Trudy Sprague in Mendota Heights is editor.

Eastern Region Express: This quarterly publication is produced for employees of Cray's Eastern Region. This newsletter contains site news and updates on recent activities in the Eastern Region. Susan Holder in Calverton, Maryland is editor.

Employee Handbook: This handbook summarizes the human

resources policies for U.S.-based employees of Cray Research, including its compensation and benefit plans. Updates are provided as needed. The handbook is distributed by the Distribution Center in Mendota Heights. For further information on content, contact Mary McDiarmid in Minneapolis.

Employee Meeting Videotapes: Videotapes of each quarterly employee meeting are produced and distributed by Corporate Communications. Contact Jean Eggerman or Kate Neessen in Minneapolis for changing quantities and addresses. These tapes are intended for internal use only.

Interface: This employee newsletter is published ten times each year by the Corporate Communications department in Minneapolis. It is intended for all Cray Research employees and contains a variety of articles about Cray's departments, people, projects, and activities. To submit article ideas, contact Jean Eggerman or Kate Neessen in Minneapolis. For changing quantities and addresses, contact Colleen Pace, also in Minneapolis.

Management Guidelines: This publication is designed to help managers and supervisors perform managerial tasks more efficiently and effectively. It contains information such as budgeting, EEO/AA, staffing and recruiting, and performance management. Publication of the book is coordinated by Gary Hines in Minneapolis and distributed by the Distribution Center in Mendota Heights.

Marketing Guide: Cray's marketing guide is a company-private document that includes phone listings, organization charts, product overviews, and marketing resources. For further information, contact Barbara Marx in Mendota Heights.

News Releases: News releases, which are prepared for major Cray announcements, are produced by Corporate Communications in Minneapolis. They are distributed to all major locations and offices with telex equipment. Contact Tina Bonetti in Minneapolis for further information.

Product Brochures: Product brochures are prepared for all of Cray's major hardware and software products. The brochures are produced through the combined effort of Corporate Communications, Marketing, and Technical Publications. Brochures are available through the Distribution Center in Mendota Heights.

Sales Kits (see Announcement packages)

Site Report: This company-private report is distributed monthly to a limited audience. It lists customer sites and their related machines and software licenses. Contact Terry Dakovich for further information.

Software Development Activity Report: This company-private document is published weekly by the Software Coordination Group in Mendota Heights. It contains updates on the status of current software projects. Contact David Knaak in Mendota Heights for further information.

Software Release Notices: These notices provide an update of the features and impact of operating systems, stations or linking software, compilers, and products. Published by the Software Coordination Group, these notices go out with each shipment of new software. Contact David Knaak in Mendota Heights for further information.

Software Training Brochure: This brochure includes descriptions of on-site customer training opportunities, competency levels, learning environments, and registration information. Updated

annually or as needed, the brochure is distributed to region training coordinators, managers in Minneapolis, Mendota Heights, and Chippewa Falls, and to others who have special requests. For further information, contact Mindi McAlpine in Mendota Heights.

Software Training Status

Report: This publication is distributed to region and country training coordinators and analyst managers. The report focuses on region and country training activities (excluding Mendota Heights and Chippewa Falls training programs). It contains information that training coordinators may need relating to workbooks, new courses, workshops and seminars for trainers, and accomplishments in region and country software training. The report is published monthly by Lynn Ericksen in Mendota Heights.

Software/Hardware Technical Publications: Janet Robidoux in Mendota Heights manages the publication of software and hardware technical publications. A list of user publications and internal company-private software publications is available from the Distribution Center in Mendota Heights. A list of company-private hardware training and maintenance publications is available from Logistics in Chippewa Falls. These publications are available to Cray personnel at sites that have related software and hardware. User publications can be distributed to interested parties that are not customers only with the permission of the sales office.

Station Bulletin: This publication, distributed quarterly to station and other software development groups, contains company-private information about current progress, activities, tools, and issues related to stations development. It is intended to encourage communication between station development groups around the world. Contact

Jeff Paulson in Mendota Heights for further information on content and distribution.

Technical Notes: (see software/hardware technical publications)

Technical Operations

Newsletter: This newsletter, published monthly, is intended to inform Cray's technical employees about activities within the Technical Operations Division. In addition to features on hardware/software technical support, proposals, publications, benchmarking, diagnostics, hardware/software training, and logistics, the newsletter is known for its clever puzzles. Paul Martin and Patrick O'Malley (MH) are the editors, and Mary Lou Knudsen (MH) handles distribution.

To your health: *To your health* is published by Dixie Cornell and Pat Prince in Chippewa Falls, Wisconsin. This newsletter contains helpful information relating to health maintenance and tips for people throughout Cray Research. Employee input and article contributions are welcome. For further information, contact Pat Prince.

Trademark Style Sheet: This style sheet shows how to document the trademarks of Cray Research, Inc. and other companies. It is intended for use by Cray's technical publications group and is available for other departments or individuals who are responsible for company publications. For further information, contact Lori Hannon (Technical Publications) in Mendota Heights.

UNICOS Migration Notes:

Intended for Cray personnel, migration notes document software tools and techniques, and they report observations regarding migration to the UNICOS operating system. Produced by the migration team, these notes are issued as needed. Notices of the availability

of migration notes are sent to all region and country analyst managers, analysts in charge, trainers, and people who have made special requests. For further information on content, call Pat Troolin, Brent Knight, or Sheryl Haefer in Mendota Heights. Copies of the notes can be ordered through the Distribution Center.

Western Region Newsletter: This quarterly publication is intended for employees of Cray's Western Region. The newsletter contains site news and updates on recent activities in the Western Region. Annella Zamora in the Seattle office is editor.

Western Region SDI Update: This publication is produced ten times each year and contains information about congressional decisions, advances, and information related to the aerospace industry as they relate to Cray Research. For further information, contact Annella Zamora in the Seattle office.

More News from Cray: This publication from Cray's Western Region summarizes Cray's company activities, such as press releases and new product announcements. It is published ten times each year and is available for account managers to distribute to customers in the Western Region. Marketing representatives may contact Annella Zamora in the Seattle office for further information.



One step closer to the CRAY-3 system

January marked a time of transition for the CRAY-3 project. Decisions were made that impact the project and the people involved. As the CRAY-3 system moves closer to becoming a member of Cray's product line, new activities are guiding the effort. The changes will require some adjustment for members of the project team, as they are asked to move into new areas with new responsibilities and job requirements.

The project

Clearly, the CRAY-3 project is going well. As Seymour Cray explains, the challenges for the project are changing from "qualitative" in 1986 to "quantitative" in 1987. "We are scheduling a pre-production buildup over the course of 1987."

Until recently, gallium arsenide research was conducted in two locations. Both Cray Research and Gigabit Logic, an outside firm, were actively developing circuits. Throughout 1986, gallium arsenide production was good at Gigabit Logic, while it was less successful at our Advanced Research facility in Chippewa Falls.

After reviewing these factors, Seymour concluded that Cray's gallium arsenide research efforts at the Advanced Research facility would be discontinued. In the future, research for CRAY-3 circuits will be provided by two outside firms, Gigabit Logic for logic parts and Performance Semiconductor for memory parts.

What will happen to the 40 people who were part of the gallium arsenide research team? Some are

taking on other responsibilities with the CRAY-3 project. Some are training for new positions. Still others are moving into projects in other parts of the company. Here is what some of those people say about changes in the project and their resulting career decisions.

The people

After ten years in the university system studying nuclear physics, John Tricomi spent another ten years in the semiconductor industry before joining Cray Research in 1986. His latest assignment was managing the Advanced Research project. Today, John and other members of the Advanced Research team are attending training programs designed to prepare them for new responsibilities within the CRAY-3 project. In his new role as Engineering manager for the CRAY-3 project, John will manage the design and testing functions for the new system. "We're changing from one technology to another," he says. "It's very different moving from semiconductors to systems."

Like other people in the project, John had choices to make when the project was discontinued. "Even though there were job opportunities outside of the company, I'm pleased with my decision to stay and contribute to the next challenges with the CRAY-3 system," he says. "I like the company, my wife likes the company, we like the area, and I enjoy working for Seymour Cray. When the project was discontinued, I also found out that the company

has concerns for its people. All of these factors convinced me that I wanted to stay and learn skills that can help me contribute to Cray Research."

Brian Krzanich is another member of the project team who will take on new responsibilities with the CRAY-3 project. His previous responsibilities were to build devices. Now he will serve as the interface between an outside vendor and Cray Research to set up processing for the CRAY-3 project. "The tasks will be somewhat similar," he says. "Rather than being the supplier, I will be the receiver. The concerns for reliability and functionality remain the same. I decided that Cray was a very good company — from both a people and a project standpoint."

Bill Petefish was a lithography-etch engineer with the gallium arsenide research project. Now he is moving into the development group to head the plasma area for Steve Chen's project. Some of the development activities will be moving into the Advanced Research facility, and the name will change from Advanced Research to Riverside Development. "Even though it is disappointing to have the project discontinued," he says, "there are a number of reasons to stay with the company. Changing to the development group is a logical step forward in my career development, and I am able to work in an area that can use my skills."

Making contributions to a new project area, learning new skills, and using those skills in new ways are vital to Cray's success. As Don Hable, director of human resources in Chippewa Falls explains: "One of the key elements of our competitive position is our ability to change. Even in the same jobs, people are doing things differently. As long as people at Cray Research continue to develop themselves beyond the level of technological change, we will maintain our leadership position."

Technical Symposium: same time this year

Each June since 1982, a group of Cray people gathers at a resort in the Midwest to share ideas, accomplishments, and expertise on technical projects within the company. The event, called the Cray Technical Symposium, is sponsored by the Human Resources department and has become one of the company's most popular events.

Presentations at the Cray Technical Symposium are given by technical people from divisions, regions, and subsidiaries of Cray Research. Through recommendations by vice presidents, project leaders, and managers, up to 80 people are selected to attend the symposium each year. Managers are contacted in January and are asked to complete recommendations for attendance in early February. At this point, invitations and requests for papers are sent to selected individuals.

Through this forum, the company recognizes technical excellence, and people throughout the company are able to learn from the achievements of others. "I never thought I would really understand just what problems face hardware development," mentioned one participant. "I was surprised at the understanding I was able to acquire in so short a time."

Among last year's topics were discussions on reliability, communications, coordination, and UNICOS. Each person in attendance was required to prepare a paper, give a presentation, or participate on a panel discussion. In addition, participants were encouraged to share the information with management, work groups, and others who would find the information useful. It is a unique development opportunity for employees worldwide. "I never thought I would meet so many people with such relevant viewpoints and concerns," noted

another participant. "This has been extremely valuable."

Mary McDiarmid, along with a task force, is charged with coordinating the annual event. The 1987 symposium is scheduled for June 21-26 at the Grand Portage Lodge. "We would like to encourage more international participation in the 1987 symposium," Mary said. "Our international operations are becoming a larger part of our business, and they are engaged in technical projects that are of interest to other technical employees."

Cray's Technical Symposium stimulates a sense of teamwork and pride among participants. As George Bowman, member of the 1986 task force remarks: "Most participants leave the conference with an increased understanding of the diversity of technical issues facing the company. They are better prepared for their jobs, and they have made personal contacts that will be helpful to them in their future efforts."

Note: Proceedings for the Technical Symposium can be ordered through the distribution center in Mendota Heights. These proceedings can be found in two volumes. Volume I (document CP-3003) contains abstracts of papers, panel discussions, and presentations. Volume II (document CP-3004) includes actual papers and overheads from the conference.



Cray's 1986 technical symposium was held at the Grand Portage Lodge. Throughout the week, people share ideas, accomplishments, and expertise on projects within the company.



Knowledge of Cray's technical projects is one benefit of the technical symposium. People also enhance their professional networks and gain a renewed sense of teamwork and pride.

News Briefs

1986 earnings reported

On January 22, Cray Research reported revenue of \$596,685,000 for the twelve-month period ended December 31, 1986, a 57 percent increase over the \$380,158,000 reported in 1985. Net earnings for 1986 were \$124,815,000, up 65 percent from 1985 net earnings of \$75,610,000. Earnings per share were \$3.99 in 1986 compared with \$2.49 in 1985, a 60 percent increase.

Revenue for the fourth quarter of 1986 was \$138,183,000 compared with \$84,741,000 a year ago; net earnings were \$23,333,000 versus \$12,039,000 in the last quarter of 1985; and earnings per share for the quarter were 75 cents compared

with 39 cents for the same period a year ago. Nine new computer systems were installed during the fourth quarter of 1986, compared with ten installations for the same period a year ago.

During 1986, 35 new Cray computer systems were installed, of which 29 were purchased, five were leased, and one was installed within the company. By comparison, of the 28 new computer systems installed in 1985, 23 were purchased, four were leased, and one was installed within the company. The company also reinstalled ten used computer systems in 1986 compared with six reinstallations in 1985.

John Rollwagen said, "We achieved our installation objectives in 1986. The number of purchased systems was higher than anticipated, however, thus adding to the year's revenue. Also, we installed more used systems and fewer new systems than expected. In addition, we signed 46 orders in 1986, over half of which are for 1987 installation."

NRL orders CRAY X-MP system

On January 6, Cray Research announced that the Naval Research Laboratory (NRL) of the U.S. Department of the Navy has executed its contract option to upgrade from a CRAY X-MP/12 computer system to a CRAY X-MP/24 system, which is valued at approximately \$8 million. The system will be installed in the first quarter of 1987 at the Naval Research Laboratory in Washington D.C. and will be used for a broad spectrum of research projects.

CRAY X-MP system ordered for Navy research

Cray Research announced on January 15 that the Unisys Corporation, acting as prime contractor for the U.S. Navy, ordered a CRAY X-MP/22 supercomputer valued at \$7.5 million. The purchased system will be installed in the second quarter

Cray Research, Inc. and Subsidiaries

Consolidated Summary of earnings (Unaudited)
(In thousands, except per-share data)

	Three months ended December 31		Year ended December 31	
	1986	1985	1986	1985
Revenue	\$ 138,183	\$ 84,741	\$ 596,685	\$ 380,158
Operating costs and expenses	101,827	63,775	380,095	247,799
Operating income	36,356	20,966	216,590	132,359
Other income	1,934	335	8,625	3,484
Earnings before income taxes	38,290	21,301	225,215	135,843
Provision for income taxes	(14,957)	(9,262)	(100,400)	(60,233)
Net Earnings	\$ 23,333	\$ 12,039	\$ 124,815	\$ 75,610
Earnings per common and common equivalent share	\$.75	\$.39	\$ 3.99	\$ 2.49
Average number of common and common equivalent shares outstanding	32,244	30,617	32,021	30,370

of 1987 at the U.S. Department of Navy's David Taylor Naval Ship Research and Development Center in Bethesda, Maryland.

CRAY X-MP system acquired by General Electric Aircraft Engine Business Group

On January 16, Cray Research announced that a CRAY X-MP/28 supercomputer with Solid-state Storage Device (SSD) valued at approximately \$13.5 million has been acquired by the General Electric Aircraft Engine Business Group (GE AEBG). The system was installed in the fourth quarter of 1986 at AEBG's headquarters in Cincinnati, Ohio.

GE is using the system in the design and engineering of advanced technology products within their diversified business structure. "GE is committed to providing world class, quality products. The CRAY X-MP supercomputer will extend this tradition by providing state-of-the-art computational capabilities to the GE Company," stated Douglas Walker, Manager, Supercomputer Project.

GE Aircraft Engine Business Group designs, develops, manufactures, and services gas turbine engines for the propulsion of civil and military aircraft and ships, and for industrial applications.

Trying something new

As the saying goes: "It's easy to come up with new ideas; the hard part is letting go of what worked for you two years ago, but will soon be out-of-date." Keeping that in mind, we've decided to let go of an idea that has worked for the past few years but is reaching its capacity. With the help of Corporate Communication's graphics department, *Interface* has taken on a new design.

As we looked for this new design, we heard many interesting possibilities. Our primary objectives were

to come up with colors and a format that would be flexible and appealing. We've decided on several alternating colors. The new format gives us a lot of room for imagination. We think we'll have fun with the new design and hope that you will too. If you would like to comment on the new design or content, call Jim Morgan (x260), Jean Eggerman (x121), or Kate Neessen (x274) in Minneapolis.

Employee giving is on the increase



Employees raised \$63,660 for local human service and cultural organizations through recent workplace campaigns in Chippewa Falls, Minneapolis/Mendota Heights, the Western Region, and Washington D.C. This total was 52 percent higher than last year's campaign result.

Chippewa Falls employees gave \$26,613 to the local United Way

organization — a 32 percent increase over 1985. This response was largely due to the efforts of the Chippewa Falls Charitable Contributions Committee.

Employees in the Western Region raised \$6,179. The Government Marketing Group in Washington D.C. raised \$546 in their first workplace campaigns. Minneapolis and Mendota Heights employees had the option of contributing to four different organizations — three human service federations and one for the arts. Gifts amounted to \$30,325.

All employee gifts during company-sponsored employee workplace campaigns are automatically matched dollar-for-dollar by the Cray Research Foundation. If you live in an area not served by one of these company campaigns and wish to have Cray Research match your gift to a local United Way or other charitable organization, submit your request on the matching gifts program request form. Questions about Cray's matching gifts programs should be directed to Joanne Whiterabbit (x241) in Minneapolis.

Honda Motor Company orders supercomputer

On February 2, Cray Research confirmed that Honda Motor Company, Ltd., of Tokyo, Japan, ordered a CRAY X-MP/12 supercomputer valued at \$5.5 million. The purchased system will be installed in the second quarter of 1987 at Honda's Research and Development Facility in Tochigi, Japan.

Honda will use the system for vehicle research, development, and design, primarily in the areas of structural analysis, aerodynamics, combustion, and crash simulation. This will be the seventh Cray system installed in Japan.

A new column for your benefit

In 1985, employees were surveyed on their perceptions of benefits communication. The results of this survey helped employee benefits coordinators evaluate present and design future communication materials. As a result, a decision was made to promote effective communication of benefits materials through a regular column in *Interface*.

Each issue will have a column that features a specific employee benefits

topic. First, the topic will be discussed, and then related questions will be answered. Examples of future columns include the Health Care Expense Account, the Stock Purchase Investment Plan, and the 401(k) Investment Savings Plan.

If you have questions regarding employee benefits that you would like answered in this column, contact Kate Neessen (x274), Ginger Hagen (x212), or Cindy Kimmel (x191) in Minneapolis.

Employee Stock Purchase Investment Plan

If you sold stock from Cray's Stock Purchase Investment Plan (SPIP) during 1986, there is certain information you will need when preparing your 1986 income tax returns. This includes: 1) the fair market value of the stock on the date of purchase, 2) your Cray employee purchase price, and 3) your net proceeds from the sale. In addition, because any 1986 gain will be treated as a combination of ordinary income and long- or short-term capital gain, you need to determine the proper tax treatment of your gain.

To help you gather this information, we've prepared a chart that provides the fair market value and purchase price for all SPIP plan years to date. In addition, Jed Lund

and Mark Vanney of Cray's tax department have prepared a brochure entitled "Tax Consequences of Selling Stock Purchase Investment Plan Stock." This information is available upon request from your local benefits representative.

Remember, a two-for-one stock split occurred on August 2, 1985. If you sold any SPIP shares that you acquired prior to that date, you will have to adjust the Fair Market Value and the Employee Purchase Price. This adjustment is made by dividing those amounts by two. A more detailed explanation about this procedure appears in the September 1985 *Interface*. You should contact a tax consultant if you have concerns about your tax preparation.

Insurance Update

Employee life and accidental death and dismemberment (AD&D) insurance — basic and optional coverages — is updated each February and August 1. The update adjusts coverage based on your annual salary as of those dates. Also, for employees enrolled in the optional coverages, it adjusts for any change in age that will place you in a higher premium bracket.

If you are enrolled in optional life and/or optional AD&D, any monthly premium increase resulting from the February 1, 1987 update will appear in your February 27 paycheck if you are on the biweekly payroll, or on your February 13 paycheck if you are on the weekly payroll. If you have any questions regarding this update, please contact your local human resources representative.

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1981 Qualified Stock Purchase Investment Plan

Plan Year	Fair Market Value	Employee Purchase Plan
1981	\$36.50 — 12/31/81	\$31.025
1982	\$38.625 — 12/31/82	\$31.025
1983 (Short Year)	\$44.375 — 5/31/83	\$32.831
1984	\$42.75 — 5/31/84	\$36.338
1985	\$79.75 — 5/31/85	\$37.825
1986	\$92.50 — 5/31/86	\$33.894